



EXECUTIVE CHAMBERS  
HONOLULU

BENJAMIN J. CAYETANO  
GOVERNOR

April 3, 2001

EXECUTIVE MEMORANDUM

MEMO NO. 01-04

TO: All Department Heads

SUBJECT: Amended Fiscal Year 2001 Budget Execution Policies (E.M. No. 00-04)

Anticipated expenditures beginning in FB 2002-03 are expected to increase significantly, well beyond current and projected revenues. To ensure that sufficient resources will be available, the State must immediately reduce or curtail current fiscal year expenditures, as well as consider other long-term efforts to reduce government services and spending.

Effective April 4, 2001, the following budget execution policies shall supersede, amend, or clarify specifically identified provisions in **Attachment A of Executive Memo No. 00-04**, "*Fiscal Year 2001 Budget Execution Policies*," dated June 29, 2000. Amended policies described herein shall apply to **all means of funding**, unless otherwise prohibited by general law or federal mandate.

A. **Manpower Control**

**Item Nos. 5b.1 and 5b.2 (Establishment and Filling of Positions-Actions delegated to individual department heads/exempt positions) is rescinded and shall be replaced by the following guidelines.**

My prior approval through the Departments of Budget and Finance (B&F) or Human Resources Development (DHRD), as applicable, is now required for the following:

- *Authority to fill authorized, budgeted permanent positions (newly-authorized or currently existing). Department heads may make initial appointments (NTE 90 days) to fill existing vacant positions on a temporary hire basis; however, any extensions or subsequent filling of such temporary hire positions (including emergency hires) shall require my approval.*

- Authority to establish and fill temporary positions authorized by the Legislature, and/or extend filling of currently budgeted temporary positions.
- Authority to establish and fill civil service and exempt positions created by general law, which are not reflected in Act 91/99, as amended by Act 281/00.
- Authority to establish and fill federal, trust funded, or other funded positions in programs where the conditions of funding or enabling legislation allow or require the filling of positions (possibly in excess of authorized position ceilings).
- Authority to establish, extend, or fill authorized positions that are exempt from civil service pursuant to Section 76-16 (2), (3), (10), (12), (15), and (17), HRS. Filling of authorized positions exempted by other subsections of Section 76-16 remain delegated to department heads.
- Exceptions. My approval will not be required for the following manpower actions:
  - i. Establishment and filling of authorized positions in the University of Hawaii, Department of Education (including Hawaii State Public Libraries System), Hawaii Health Systems Corporation, and Public Safety Correctional facilities programs.
  - ii. Filling of vacancies mandated by the Felix, Hawaii State Hospital, and Makin consent decrees.

B. Travel

**Items No. 12a.1 and 12a.2 (Out-of-State Travel) is rescinded and shall be replaced by the following guidelines.** Travel must be essential and necessary for program operations and objectives. Annual and regional meetings and conferences shall not be allowed. The following shall apply:

- Cabinet (directors and deputy directors) travel shall be submitted directly to me for approval.
- All other requests shall require my approval through B&F.
- Exceptions. My approval will not be required for the following out-of-state travel requests:
  - i. For the University of Hawaii (UH) and Department of Education (DOE).

- ii. Travel required for performance of duty for TAX auditors; Department of Human Services, Public Safety and Department of Health transport of clients and inmates; and litigation related travel of the Department of the Attorney General and the Office of the Public Defender.

C. **Lease/Rental of Office Space**

**Item No. 19** is amended as follows to require the Governor's approval for all State agency requests to lease, rent, or otherwise acquire privately-owned office space.

Section 171-30, HRS, provides Department of Accounting and General Services (DAGS) with the responsibility for any lease, rental, or other acquisitions of privately-owned office space for use by State departments or agencies. Departments shall submit all requests (new, ongoing, or amended) through the Comptroller under procedures established by DAGS. Pursuant to Comptroller Memo No. 1994-28, "Office Space Leases in Non-State-Owned Buildings," all requests for new leases or expansion of existing office space and requests tied to federal mandates, must comply with this requirement. These requests will require the Governor's approval, and there shall be no exceptions to this requirement. All requests shall be submitted with current organization charts, other appropriate staffing documentation, and rental/lease costs, to justify the cost-effectiveness of additional space requirements.

D. **Procurement of Goods, Services, or Construction**

**Item No. 21** is amended as follows:

Authority currently delegated to department heads to purchase equipment, motor vehicles, or supplies (other than computer-related purchases, which are subject to DAGS-ICSD policies) is limited to purchases costing no more than \$25,000. The following shall apply to purchases over \$25,000:

- My approval shall be required for any single purchase order of equipment, order of supplies, or motor vehicle costing \$25,000 or more.
- Exempted from this requirement are the UH, DOE, and the Hawaii Health Systems Corporation (HHSC).

All other current guidelines in Item No. 21 shall remain in effect.

All other provisions and subsections in Attachment A of Executive Memo No. 00-04, not specifically identified herein for amendment, shall remain in effect.

BENJAMIN J. CAYETANO